


## Action Memorandum for the SO 11 Team Leader

**FROM:**

  
Elvira C. de Varillas, Program Specialist

**SUBJECT:**

Amendment Six – Strengthening Private Sector Health  
Institutions Project (SHIP), No. 527-0319

**DATE:**

August 29, 2005

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### Action Requested

You are requested to approve an increase in the funding ceiling of the Strengthening Private Sector Health Institutions Project 527-0319 (SHIP) by \$140,321 to a new total of \$27,935,321. Accordingly the Cooperative Agreement will be amended to reflect this change.

### Background

The SHIP project was approved on September 28, 1991, and a cooperative agreement (CA) was signed with CARE/Peru to implement the southern component. The northern component of SHIP was originally carried out under an institutional contract with University Research Corporation (URC), signed on June 20, 1994. Sanctions, followed by complex procurement issues, delayed the initiation of the northern component by nearly three years. Actual clinic operations did not begin until 1996 with the opening of two clinics. At the end of 1998 two additional clinics were opened. Upon termination of the URC contract, USAID entered into a five year cooperative agreement with Max Salud from October 1, 1999 through September 30, 2004 that was extended on August 1, 2003 through September 30, 2006. SO 11 Team Leader approved amendment Five to extend the life of the Project from September 30, 2004 to September 30, 2006. This amendment increases the Life of Project (LOP) funding by \$140,321, to a new total of \$27,935,321. These additional funds will permit Max Salud to implement the new informatics platform for SHIP, and to obtain technical advisory services to support Max Salud in achieving its institutional and financial sustainability.

Furthermore, the Activity Design document signed on May 15, 2002, contemplates the need to adjust specific ongoing projects that are considered necessary for the achievement of SO 11 goals. Max Salud is essential to the achievement of SO 11 sub-objectives. Max Salud is a model that promotes policy and organizational reforms. It serves as a laboratory in such areas as family and community-centered primary health care; private delivery of care to sectors customarily cared for by the Ministry of Health; local control of health services; public funding of private care; and specialized care for at risk populations such as adolescents, malnourished children, or people living with HIV/AIDS. This amendment will allow SHIP to complete its projected activities, through September 30, 2006.

## **Funding**

The additional \$140,321 in population funding is within SO 11 FY 05 OYB and will be obligated in conjunction with the \$384,038.02 final child survival increment required to fully fund the Cooperative Agreement with Max Salud.

These additional funds will cover the following costs:

- (1) the implementation of a new informatics platform to better meet the information management needs of Max Salud.
- (2) the contracting of technical assistance to strengthen its managerial, administrative, financial and technical capacities.

Both actions will assist Max Salud in achieving its institutional, financial and social sustainability in anticipation of the completion of USAID funding of the activity on September 30, 2006.

## **Congressional Notification and Budget Allowance**

Congressional notification requirements for the additional \$140,321 in population funds have been satisfied through the FY 06 CBJ which expired on May 4, 2005. Budget allowances in the amount of \$384,038.02 child survival funds and \$140,321 population funds have been received via e-mail from LAC/SPO dated May 19, 2005.

## **Statutory Requirements**

The analysis regarding Initial Environmental Examination which approved a categorical exclusion through LAC-IEE-02-20 dated June 10, 2002 (See Attachment One) is still valid within the \$127.5 million ceiling approved for SO 11. The nature of the original activities remain unchanged. FY 05 Assistance and Country Checklists are attached herein (See Attachment Two).

## **Authority**

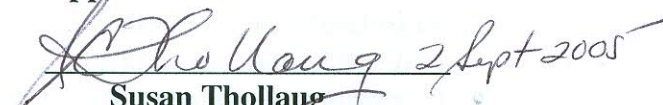
You have been delegated the authority to approve this Amendment through the SO 11 Activity Approval Document (AAD) signed by Acting Mission Director on May 15, 2002.

## **Recommendation**

The SO 11 Team recommends that you approve this activity amendment on the basis that all of the appropriate technical, financial and administrative issues have been adequately

addressed, thereby increasing LOP funding of the Strengthening Private Sector Health Institutions by \$140,321 to a new total of \$27,935,321.

**Approved:**

  
Susan Thollaug  
Health SO 11, Team Leader

**Disapproved:**

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Susan Thollaug  
Health SO 11, Team Leader

**Clearance:**

HPN:Ramirez (in draft)

PDP:CEpperson (indraft)

RLA:HCruz-Hubbard (in draft)

CON:ChVigil/VLLajaruna (in draft)

DD:SBrems SBrems 8/31/05

PDP:ECVarillas ee



## Recommendation

The SO 11 Team recommends that you approve this activity amendment on the basis that all of the appropriate technical, financial and administrative issues have been adequately addressed, thereby increasing LOP funding of the Strengthening Private Sector Health Institutions by \$140,321 to a new total of \$27,935,321 and extending the Completion Date for the FSN Coordinator through September 30, 2007.

**Approved:**

**Disapproved:**

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**Susan Thollaug**  
Health SO11, Team Leader

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**Susan Thollaug**  
Health SO11, Team Leader

### Clearances:

HPN:ERamirez 

PDP:CEpperson 

RLA:HCruz-Hubbard 

CON:RVigil/VLLajaruna 

DD:SBrems 

PDP:ECVarillas 





U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

ATTACHMENT ONE  
PROJECT 527-0319  
SHIP

LAC-IEE-02-20

## ENVIRONMENTAL THRESHOLD DECISION

**Activity Location** : Peru

**Activity Title** : Improved Health for Peruvians at High Risk

**Activity Number** : 527-011

**Funding** : \$127.5 million

**Life of Project** : 5 years

**IEE Prepared by** : Edilberto Alarcon, USAID/Peru

**Recommended Threshold Decision** : Categorical Exclusion/ Negative Determination with Conditions

**Bureau Threshold Decision** : Concur with Recommendation

### Comments:

This Environmental Threshold Decision is for a new Health SO with three intermediate results and eight activities.

Pursuant to 22 CFR 216.2, paragraphs c(1)(i), c(2)(i-iii), c(2)(viii) and c(2)(xiv), **Categorical Exclusions** are issued for the following activities, by number: 1. Establish Normative Mechanisms; 3. Protect Client Rights; 4. Diversity Contraceptive Supply; 5. Improve Health Behaviors of Individuals and Communities; 6. Strengthen Education Institutions; and 7. Support Health Sector Policy Reform.

Pursuant to 22 CFR 216.3(a)(iii), a **Negative Determination with Conditions** is issued for Activity 2, Upgrade Health Services because some mitigation measures may be required to prevent unintended environmental impacts should the activity involve making exterior upgrades to health facilities. Prior to initiating Activity 2, implementing organizations will submit to USAID for approval of the Mission Environment Officer an environmental evaluation and monitoring plan for any upgrading that involves construction or that in any way has impact on the environment. This will include generic assessments, as well as guidelines, checklists, formats and a comprehensive list of mitigation measures to reduce potential minor environmental effects. These will be specific for each building or for each type of rehabilitation work. In addition, a monitoring program will be developed to ensure that recommended mitigation

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measures are being adopted during improvements in physical plan of health facilities and health services. The Plan will also identify the institutions/units/individuals responsible for the environmental review and monitoring activities. It is anticipated that the development and adoption of this environmental review and monitoring plan with appropriate mitigation measures will prevent any negative effect on the environment.

**A Negative Determination With Conditions** is issued to Activity 8, Support Health Information, Research and Surveillance. To date, it is foreseen that this biomedical research in the area of infectious diseases will mostly be epidemiological, entomological, clinical, or operational in nature (e.g., epidemiological surveys, drug efficacy studies, vector collection, determination of vector susceptibility to insecticides, field testing of diagnostic tools) that do not demand high-level biosafety measures and do not have significant impact on the environment. Activities producing medical or similar waste shall comply with accepted guidelines for their management, e.g., World Health Organization guidelines, and be monitored by USAID/Peru. The Mission Environment Officer will review any activities that could be planned under Activity 8 that do not comply clearly with at least one of the following Categorical Exclusion provisions of 22 CFR 216, subject to a specific evaluation, and appropriate action will be undertaken to prevent or mitigate environmental impact. These provisions are:

- 216.c.2.i - education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (e.g., construction of facilities);
- 216.c.2.ii - controlled experimentation exclusively for the purpose of research and field education that are confined to small areas and monitored carefully;
- 216.c.2.iii - research activities which may have an effect on the physical and natural environment but will not have a significant effect as a result of limited scope, carefully controlled nature and effective monitoring; and
- 216.c.2.viii - programs involving nutrition, health care or population and family planning services except to the extent designed to include activities directly affecting the environment (e.g., construction of facilities, water supply systems, waste water treatment).

*Morris Israel* Date *6/10/02*  
 Morris Israel  
 Deputy Bureau Environment Officer  
 Bureau for Latin America and the Caribbean

Copy to : Ken Yamashita, Acting Director, USAID/Peru

Copy to : Tim Miller, MEO, USAID/Peru

Copy to : Joe Dorsey, LAC/SAM

Copy to : Victor Bullen, REA-SA

Copy to : IEE File



Additional Help: 200-203  
File Name:  
Revision:  
Effective Date:

## FY 2005 Statutory Checklists

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### I. INTRODUCTION

The following checklists are intended to be convenient references when planning and implementing assistance programs. The checklists do not have every country prohibition or restriction. Consult the attorneys assigned to your Bureau or Mission to determine if there are additional country-specific or activity-specific prohibitions and "notwithstanding" authorities.

Please see ADS 201.3.3.4 to determine when a checklist should be prepared. In doing a checklist you make a reasonable inquiry, determine the applicability of each statutory reference, and set forth any additional comments or issues (for example, "We are not aware of any information that requires action under this section" or "We are not aware of any violations under this provision").

#### • **Country Checklist**

The Country Checklist includes the important provisions of general application from the Foreign Assistance Act of 1961, as amended (FAA) and the FY 2005 Foreign Operations, Export Financing, and Related Programs Appropriations Act, (FY 2005 Act), Division D, Pub. L. 108-447, December 8, 2004. The Country Checklist does not list every statutory or regulatory provision applicable to a particular country.

#### • **Assistance Checklist**

The Assistance Checklist has the activity-specific provisions of the FAA and the FY 2005 Act.



• **Notwithstanding Authorities**

There are various "notwithstanding" authorities that USAID might use to provide assistance when it would otherwise be prohibited. Some examples follow:

1. Disaster Assistance (FAA Sec. 491).
2. Health and Disease Prevention (FAA 104(c)(4) and Child Survival and HIV/AIDS (FY 2005 Act Sec. 522).
3. Assistance for Eastern Europe and the Baltic States (Title II of the FY 2005 Act).
4. Assistance to the Independent States (FAA Sec. 498B(j)).
5. Assistance to Iraq (PL 108-106, Emergency Supplemental Appropriations Act for the Defense and for the Reconstruction of Iraq and Afghanistan, 2004).
6. Afghanistan (only for loan defaults under section 512 of the FY 2005 Act (or any similar provision of law (i.e., Section 620q of the FAA) and Section 660 of the FAA); Lebanon; Montenegro; Pakistan; victims of war; displaced children; displaced Burmese; victims of trafficking in persons and combating trafficking; and, except for Sections 116, 502B and 620A of the FAA, tropical forestry, biodiversity conservation and energy programs aimed at reducing greenhouse gas emissions (FY 2005 Act Sec. 534).
7. Non-governmental organizations and PL 480 (FY 2005 Act Sec. 536).
8. Title II Emergency Programs (PL 480 Sec. 202(a)).
9. ESF funds for democracy activities in the People's Republic of China and Hong Kong (FY 2005 Act Sec. 526).

**II. COUNTRY CHECKLIST**

Part A of the Country Checklist has the general provisions to be completed for a country.

Part B has the "taking into consideration" provisions. They are considered by the Administrator in the annual "Taking into Consideration" Memorandum as part of the Operational Year Budget (OYB) process for all countries, not just those in the OYB. Because they have already been taken into account as part of the budget process, you do not have to include them in doing the checklist.

**Part A. General Provisions**

1. **NARCOTICS CERTIFICATION.** (Section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228) (FRAA), September 30, 2002). As a result of Presidential Determination No. 2004-47, September 15, 2004, the narcotics certification

applies only to Burma. All other "major illicit drug-producing or drug-transit" countries (Afghanistan, The Bahamas, Bolivia, Brazil, China, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Venezuela, and Vietnam) were determined either:

- (a) Not to have failed demonstrably, during the previous 12 months, to adhere to their obligations under international counter-narcotics agreements and to take the counter-narcotics measures set forth in 489(a)(1) of the FAA; or
- (b) To be vital to the national interests of the United States.

Note: Thailand is removed from the list.

See <http://www.whitehouse.gov/news/releases/2004/09/20040916-11.html>, for the September 19, 2004 press release. Presidential Determination No. 2004-47 was not available online as of December 2004.

**Is this restriction applicable? Please comment.**

This restriction is not applicable. The President has not designated Peru as having failed demonstrably to make substantial efforts to adhere to its obligations under international narcotics agreements and to take counter-narcotics measures as set forth in section 489(a)(1) of the FAA.

2. **INDEBTEDNESS TO U.S. CITIZENS.** (FAA Sec. 620(c)). Absent a Presidential determination based on national security needs, assistance to a government is prohibited if the government is indebted to any U.S. citizen or person, and (a) such citizen or person has exhausted available legal remedies, (b) the debt is not denied or contested, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government (or controlled entity).

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

3. **SEIZURE OF U.S. PROPERTY.** (Section 527 of the Foreign Relations Authorization Act, 1994-95, which superseded FAA Sec. 620(e)). Absent a waiver by the Department of State, assistance to a government is prohibited if that government has expropriated or seized ownership or control of property at least 50 percent beneficially owned by U.S. citizens without:

- (a) Returning the property to the owner;
- (b) Compensating the owner for the property;
- (c) Offering a domestic procedure providing prompt, adequate, and effective compensation for the property; or
- (d) Submitting the dispute to international arbitration.

As of 12/8/2004 the only country identified is Nicaragua, which has received a waiver.



[Contact: State/EB/IFD/OIA, J Nathaniel Hatcher, 202-647-9453 (until 1/05);  
State/EB/IFD/OIA, James Roseli, check e-mail address book (starting 2/05)]

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

4. **SPECIFIC COUNTRIES.** (FAA Secs. 620(a) and 620(f); FY 2005 Act Sec. 507). Assistance is specifically prohibited in the statute to Cuba, Iran, Libya, North Korea, and Syria. [Note: Prohibitions on assistance to China, Tibet, and Vietnam have been waived.]

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

5. **LOAN DEFAULT.** (FAA Sec. 620(q); FY 2005 Act Sec. 512 [Brooke Amendment]; see ADS 623). Absent a Presidential waiver, assistance is prohibited to the country under section 620(q) and only to the government of the country under section 512 where:

- (a) The government of the recipient country has been in default for more than six months on interest or principal of any loan by the U.S. to such country under the FAA; or
- (b) The country has been in default for more than one calendar year on interest or principal on any U.S. foreign assistance loan.

The 620q report can be found on the USAID intranet at <http://inside.usaid.gov/M/FM>.

[Contact: M/FM/LM, Earl Floyd, 202-712-4796.]

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

6. **DIPLOMATIC RELATIONS WITH U.S.** (FAA Sec. 620(t)). Assistance is prohibited if diplomatic relations between the U.S. and the recipient country are currently severed.

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

7. **INTERNATIONAL TERRORISM.** (FY 2005 Act Sec. 527; FAA Secs. 620A, 620G). Absent a Presidential waiver on national security grounds or for humanitarian reasons, assistance is prohibited to a recipient country that the Secretary of State has determined:

- (a) Grants sanctuary from prosecution to any terrorist; or
- (b) Otherwise supports or assists terrorist governments (as determined by FAA Sec. 620A) or international terrorism.



The following have been identified as countries whose governments have repeatedly provided support for acts of international terrorism: Cuba, Iran, Libya, North Korea, Sudan, and Syria. Iraq has received a Presidential waiver under §1503 of P.L. 108-11 (Emergency Wartime Supplemental Appropriations Act, 2003).

[Contact: State/L/LEI, Linda Jacobson, 202-647-7324.]

**Is this restriction applicable? Please comment.**

This restriction is not applicable. State has made no such determination with respect to Peru. We are not aware of any information that requires action under this section.

8. **EXPORT OF LETHAL MILITARY EQUIPMENT TO TERRORIST STATES.** (FY 2005 Act Sec. 542; FAA Sec. 620H). Absent a Presidential determination, assistance is prohibited to a government that provides lethal military equipment to a terrorist government (those described in 7 above).

[Contact: State/L/NP, Maegan Conklin, 202-647-3220]

**Is this restriction applicable? Please comment.**

This restriction is not applicable. Peru is not a country with a prohibition against it, and we are not aware of any information that the Government of Peru provides lethal military equipment to a terrorist government.

9. **DISCRIMINATION.** (FAA Sec. 666(b)). Assistance is prohibited to a recipient country that objects, on the basis of race, religion, national origin, or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA.

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

10. **NUCLEAR TECHNOLOGY.** (Arms Export Control Act Secs. 101, 102).

- (a) Absent special certification by the President, assistance is prohibited if the recipient country has either delivered or received from any other country nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards any time after August 3, 1977.
- (b) Absent special certification by the President, assistance is prohibited if the recipient country has, on or after June 30, 1994:
  - (1) Transferred a nuclear explosive device to a non-nuclear weapon state,
  - (2) Received or detonated a nuclear explosive device, or
  - (3) Exported (or attempted to export) illegally from the U.S. any material, equipment, or technology that would contribute significantly to the ability of a country to manufacture a nuclear explosive device.

[Contact: State/L/NP, Newell Highsmith, 202-647-4621]

**Are these restrictions applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

11. **MILITARY COUP OR DECREE.** (FY 2005 Act Sec. 508). Assistance is prohibited to the government of a country where the duly elected head of government of the recipient country has been deposed by military coup or decree unless the President has notified Congress that a democratically elected government has since taken office. Since FY 2002, the section does not apply to assistance to promote democratic elections or public participation in democratic processes.

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

12. **EXPLOITATION OF CHILDREN.** (FAA Sec. 116(b)). Assistance is prohibited where the Department of State has determined that the recipient government has failed to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse, or forced conscription into military or paramilitary services.

**Is this restriction applicable? Please comment.** This restriction is not applicable. State has made no such determination with regard to the Government of Peru. We are not aware of any information that requires action under this section.

13. **PARKING FINES AND REAL PROPERTY TAXES.** (FY 2005 Act Sec. 543). Assistance to a recipient country must be reduced by 110 percent of the amount of unpaid parking fines and property taxes owed to the District of Columbia and New York City.

OYB country levels are adjusted by amounts owed by PPC/M/RA as part of the OYB process. **No action required** by country desk.

[Contact: Check with Bureau budget office, or PPC/RA/PBI, Sheila Blackman, 202-712-5175.]

14. **DELIVERY OF HUMANITARIAN ASSISTANCE.** (FAA Sec. 620I). Absent a Presidential determination, assistance is prohibited where the recipient government has prohibited or otherwise restricted, directly or indirectly, the transport or delivery of U.S humanitarian assistance.

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section

15. **ASSISTANCE TO CUBA.** (FAA Sec. 620(y), as amended by section 2810 of FY 98/99 Foreign Relations Authorization Act, Pub. L. 105-277; LIBERTAD Act Sec. 111; Pub. L. 104-114).



- (a) If a country (or any entity in the country) provided (1) nuclear fuel and related assistance and credits or (2) assistance or credits in support of the Cuban nuclear facility at Juragua, Cuba at any time after March 12, 1996, then assistance to such country must be reduced by an amount equal to the sum of any such assistance or credits.
- (b) Assistance to a recipient country must be reduced by an amount equal to the aggregate value of nuclear fuel related assistance and credits provided by that country to Cuba during the preceding fiscal year, unless Cuba:
  - (1) Has ratified the Treaty on the Non-Nuclear Proliferation of Nuclear Weapons or the Treaty of Tlatelolco and Cuba is in compliance therewith;
  - (2) Has negotiated and is in compliance with full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such treaty; and
  - (3) Incorporates and is in compliance with internationally accepted nuclear safety standards.

**Are these restrictions applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section.

16. **HUMAN RIGHTS VIOLATIONS.** (FAA Secs. 116 and 502B). If the Department of State has determined that the recipient government has engaged in a consistent pattern of gross violations of internationally recognized human rights, then:

- (a) Economic Support Fund funds may be used only if the assistance will directly benefit the needy; and
- (b) Development Assistance funds may be used only if the President has found that the country has made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest.

As of 2/08/2004, no countries have been identified.

[Contact: State/L/HRR, Gilda Brancato, 202-647-4065]

**Is this restriction applicable? Please comment.**

This restriction is not applicable. We are not aware of any information that requires action under this section, and Peru has not been so identified.

17. **TRAFFICKING IN PERSONS (TIP).** (22 USC 7107). Is the country (Burma, Cuba, Equatorial Guinea, North Korea, Sudan, Venezuela) listed on Tier III of the annual TIP report, still subject to sanctions under the Presidential Determination? The Presidential Determination describes: (a) which countries were reevaluated as being Tier II and therefore not subject to sanctions; (b) which countries that remained on Tier III were subject to sanctions; and (c) which countries remaining on Tier III were the subject of full



or partial waivers. This year's Presidential Determination is available at <http://www.state.gov/g/tip/rls/prsr/36127.htm>.

Note: Bangladesh, Ecuador, Guyana, and Sierra Leone are on the Special Watch List. [Contact: your RLA or AGC; EGAT/WID, Katherine Blakeslee, 202-712-0570.]

**Please comment.** This restriction is not applicable. Peru is Tier II and not subject to sanctions. We are not aware of any information that requires action under this section, and Peru has not been so identified.

18. **ACTIVITY INFORMATION SHEET DATA.** (See ADS 203.3.9). Has the USAID Country Officer informed PPC/SPP of any ongoing activity, that he/she is already aware of, which is not included in the "Activities Not Managed In-Country" (ANMIC) database? The Country Officer does NOT have an obligation to inquire about activities that he/she does not already know about or to complete activity information sheets. The ANMIC is available at <http://cdie.usaid.gov/npc/>.

[ANMIC Database Contact: PPC/SPP, Parrie Henderson, 202-712-5672]

**Please comment.**  
The USAID Country Officer has reviewed the USAID Activity Information Sheet Data Base and has found it to complete to the best of his knowledge.

19. **ESF ASSISTANCE FOR PARTIES TO THE INTERNATIONAL CRIMINAL COURT.** (FY 2005 Act Sec. 574 [Nethercutt Amendment]). Economic Support Fund (ESF) assistance is prohibited to provide "assistance to the government of a country" that:

- (a) Is a party to the International Criminal Court (ICC); and
- (b) Has not entered into an agreement with the U.S. pursuant to Article 98 of the Rome Statute (Article 98 agreement). An Article 98 agreement prevents the ICC from proceeding against U.S. personnel present in that country, and must be "in force" in order to avoid the prohibition.

The President may waive this restriction in the following cases if he determines and reports to the appropriate congressional committees that it is important to the national security interest of the U.S.: (a) NATO members; (b) Major non-NATO allies (including Australia, Egypt, Israel, Japan, Jordan, Argentina, the Republic of Korea, New Zealand)<sup>1</sup>; or (c) Taiwan. This prohibition only applies to ESF funds and does not apply to Millennium Challenge Act (MCA) assistance to MCA-eligible countries. Therefore, a country that is ineligible to receive ESF assistance under this provision can still be eligible for MCA assistance.

[Contact: your RLA or AGC; PPC/RA/PBI]

**Please comment.**  
Peru is a party to the ICC and has not entered into an Article 98 Agreement with the United States. As a result, no FY 05 ESF assistance may go to the Government of Peru.

<sup>1</sup>Note: These countries were listed in the statute; the Philippines and Thailand are also major non-NATO allies.

**Part B. "Taking Into Consideration" Provisions**

Because they have already been taken into account as part of the budget process, you do not have to include them in doing the checklist.

1. **MOB ACTION.** (FAA Sec. 620 (j)). Assistance may be terminated if the recipient country permitted (or failed to take adequate measures to prevent) damage or destruction of U.S. property by mob action.
2. **SEIZURE OF U.S. FISHING VESSELS.** (FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5 (22 U.S.C. 1975(b)). Assistance may be denied or offset if the recipient country has seized, or imposed any penalty or sanction against, any U.S. fishing vessel fishing in international waters.
3. **OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) INVESTMENT GUARANTY.** (FAA Sec. 620(l)). Assistance may be denied if the recipient country has failed to enter into an investment guaranty agreement with OPIC.
4. **UNITED NATIONS (U.N.) OBLIGATIONS.** (FAA Sec. 620(u)). The payment status of the recipient country's U.N. obligations is to be taken into account when considering assistance levels.
5. **ALGIERS MEETING.** (Section 720 of the International Security and Development Cooperation Act of 1981 (ISDCA of 1981)). The fact that a country attended and otherwise failed to disassociate itself from the communiqué issued at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on September 25 and 28, 1981, is to be taken into account when considering assistance levels to such country.



### III. ASSISTANCE CHECKLIST

This checklist is to help managers and teams ensure that activities are consistent with applicable law. Since different provisions apply at different stages of the process, this Checklist is divided into the following parts: (A) Planning, (B) Congressional Notifications, and (C) Obligating Documents.

In addition to completing this Checklist, managers and teams should check with the Desk Officer to make sure that the Country Checklist has been completed and nothing has occurred since completion of the Country Checklist which would affect USAID's ability to provide assistance.

For the most part, no distinction between Development Assistance and Economic Support Fund funds is made in this Assistance Checklist because the FAA provides that, to the maximum extent feasible, ESF assistance should be provided consistent with the policy directions, purposes, and programs of Development Assistance.

#### Part A. Planning (in alphabetical order)

1. ACTIVITY INFORMATION SHEET. (See ADS 203.3.9) Does this activity require an Activity Information Sheet (AIS)? If so, has it been prepared or, if there is already an AIS for the activity, has it been reviewed and updated?

See Additional Help document, database for accessing Blank AIS Template (<http://www.usaid.gov/policy/ads/200/200sbj.doc>), available at <http://cdie.usaid.gov/npc/> (accessible only within the USAID firewall); or send an e-mail request to [npctemplate@dec.cdie.org](mailto:npctemplate@dec.cdie.org).

Please comment.

**This Activity does not require an A15.**

2. AGRICULTURAL ACTIVITIES (BUMPERS AMENDMENT). (FY 2005 Act Sec. 513(b), as interpreted by the conference report for the original enactment). No funds may be used for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training) that would compete with a similar commodity grown or produced in the United States unless the activity:

(a) Is designed to increase food security in developing countries and where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(b) Is a research activity intended primarily to benefit American producers.

Is this restriction applicable? Please comment.

**This restriction is not applicable.**



3. **COMMUNIST ASSISTANCE.** (FAA Sec. 620(h)). Arrangements should be made to ensure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of any country that is a Communist country for purposes of FAA section 620(f).

Please comment.

Peru is not a communist country.

4. **ADVERSE ECONOMIC IMPACT UPON THE UNITED STATES.**

- (a) **IMPACT ON U.S. JOBS: RELOCATION; EXPORT ZONES; VIOLATION OF WORKERS' RIGHTS.** (FY 2005 Act Sec. 533; see ADS 225). Assistance may not be provided:

- (1) To a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business;
- (2) For an activity that contributes to the violation of internationally recognized workers rights of workers in the recipient country. This is applied commensurate with the level of development of the recipient country and is not to preclude assistance for the informal sector including micro and small-scale enterprise and smallholder agriculture.

Please comment.

No assistance is provided under this Activity to support any of the purposes listed in Section 533.

- (b) **PRODUCTION OF SURPLUS COMMODITIES.** (FY 2005 Act Sec. 513(a)). Assistance may not be provided to establish or expand production of any commodity for export if the commodity is likely to be in surplus on world markets and substantial injury will be caused to U.S. producers of the same, similar, or competing commodities.

Is this restriction applicable? Please comment.

This restriction is not applicable.

5. **ENVIRONMENT.**

- (a) **ENVIRONMENTAL REVIEW.** (FAA Sec. 117; 22 CFR 216 (USAID Regulation 16), see ADS 204). 22 CFR 216 requires an Initial Environmental Examination, unless the proposed assistance falls within certain exceptions and other actions.

Please comment.

LAC IEE-02-20 dated June 10, 2002 is attached.

(b) **DEBT-FOR-NATURE EXCHANGE.** (FAA Sec. 463). Assistance that will finance a debt-for-nature exchange must:

- (1) Support protection of the world's oceans and atmosphere, animal and plant species, or parks and reserves; or
- (2) Promote natural resource management, local conservation programs, conservation training programs, public commitment to conservation, land and ecosystem management, or regenerative approaches in farming, forestry, fishing, and watershed management.

Is this applicable? Please comment.

This restriction is not applicable.

(c) **TROPICAL FOREST DEGRADATION.** (FAA Sec. 118). Funds may not be used for:

- (1) The procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems;
- (2) Actions that will significantly degrade national parks or similar protected areas that contain tropical forests, or introduce exotic plants or animals into such areas;
- (3) Activities that would result in the conversion of forest lands to the rearing of livestock;
- (4) The construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) that pass through relatively undegraded forest lands;
- (5) The colonization of forest lands; or
- (6) The construction of dams or other water control structures that flood relatively undergraded forest lands.

*However, funds may be used for activities in (3) through (6) above if an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner that supports sustainable development.*

Is this applicable? Please comment.

This is not applicable.



6. **EXPROPRIATION AND LAND REFORM.** (FAA Sec. 620(g)). Assistance may not be used to finance compensation to owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President.

Is this applicable? Please comment.

This is not applicable.

7. **FAMILY PLANNING.**

- (a) **ABORTIONS AND INVOLUNTARY STERILIZATIONS PROHIBITED.** (FAA Sec. 104(f); FY 2005 Act Sec. 518 and, "Child Survival and Health Programs Fund" heading under Title II). Funds may not be used:

- (1) To perform abortions as a method of family planning or to motivate or coerce any person to practice abortions.
- (2) To pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations.
- (3) To pay for any biomedical research that relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.
- (4) To furnish assistance to any country or organization if the President certifies that the use of these funds by such country or organization would violate the three provisions above.
- (5) To lobby for or against abortion.
- (6) To furnish assistance to any organization or program that supports or participates in the management of a program of coercive abortion or involuntary sterilization.

Is this applicable? Please comment.

None of the funds under the Activity are used to defray the costs of the activities listed above.

- (b) **VOLUNTARY FAMILY PLANNING SUPPORT.** (FY 2005 Act, Title II, under heading "Child Survival and Health Programs Fund"). Funds may be made available only to voluntary family planning projects that:

- (1) Offer, either directly or through referral to, or provide information about access to, a broad range of family planning methods and services (as a legal matter, Development Assistance only).

- (2) Meet the following requirements:
- (a) Service providers do not implement or are not subject to quotas, or targets, of numbers of births, family planning acceptors, or acceptors of a particular form of family planning (quantitative estimates or indicators for planning and budgeting purposes is acceptable);
  - (b) The project must not provide payment of incentives, bribes, gratuities, or financial rewards for becoming a family planning acceptor or achieving numerical target or quota;
  - (c) The project must not deny any right or benefit, including right of access to any program of general welfare or right of access to health care, as a consequence of any decision not to accept family planning services;
  - (d) The project must provide comprehensible information of the health benefits and risks of method chosen; and
  - (e) The project must ensure that experimental drugs and services are provided only in the context of scientific study in which participants are advised of potential risks and benefits.
- (3) No applicant may be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning (as a legal matter, Child Survival and Health Programs Fund account only).

**Is this applicable? Please comment.**

**Funds made available are not used for voluntary family planning activities.**

8. **INTERNATIONAL CONFERENCES.** (FY 2005 Act Sec. 540, see Guidance on Funding Foreign Government Delegations to International Conferences, Mandatory Reference to ADS 302, 303, 306, 308, 350, and 522). Development Assistance funds may not be used to pay the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

**Is this applicable? Please comment.**

**This is not applicable.**

9. **LEGISLATIVE ACTION.** (FAA Sec. 611(a)(2)). If the obligation is more than \$500,000 and requires legislative action within the recipient country, there must be a basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance.



Is this restriction applicable? Please comment.

This restriction does not apply.

10. LOANS.

(a) (FAA Section 122(b)). In making loans, USAID must consider the following:

- (1) Information and conclusion on the capacity of the country to repay the loan at a reasonable rate of interest.
- (2) Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?
- (3) If repayable in dollars, the interest rate must be at least 2 percent per annum during a grace period which is not to exceed 10 years, and at least 3 percent per annum thereafter, but no higher than the applicable legal rate of interest of the country in which the loan is being made.

Is this applicable? Please comment.

This is not applicable.

(b) PRODUCTIVE ENTERPRISES COMPETING WITH U.S. ENTERPRISES. (FAA Sec. 620(d)). No FAA loan funds may be used for any productive enterprise that will compete with U.S. enterprises, unless:

- (1) There is an agreement by the recipient country to prevent export for use or consumption in the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan; or
- (2) If in the absence of such an agreement, the President has established import controls to effectuate that agreement.

This may also be waived by the President due to national security interest.

Is this restriction applicable? Please comment.

This is not applicable.

11. MILITARY PURPOSES. (FAA Sec. 531(e)). Congress has explicitly provided that ESF funds may not be used for military or paramilitary purposes (e.g., combat training programs and exercises or support for the military).

Is this restriction applicable? Please comment.

This is not applicable.

12. **POLICE AND PRISONS.** (FAA Sec. 660). Assistance may not be used to provide training, advice, or any financial support for police, prisons, or other law enforcement forces (see exceptions in sections 660, 119 and 534 of the FAA; Section 536 of the FY 2004 Act (permanent provision of law); Sections 534(a) (only with regard to Afghanistan), 534(g) (extends 660(b)(6) to regional activities), and 564 (community-based police assistance) of the FY 2005 Act).

Is this restriction applicable? Please comment.

This is not applicable.

13. **PUBLICITY, PROPAGANDA, AND LOBBYING.** (FY 2005 Act Sec. 539; Anti-Lobbying Act, 18 U.S.C. 1913). Assistance may not be used, intended, or designed to influence a Member of Congress, a jurisdiction or any official of any government in the United States, to favor, adopt, or oppose, by vote or otherwise, any legislation, law, ratification, policy, or appropriation; to influence in any way the outcome of a political election in the United States; or for any publicity or propaganda purposes not authorized by Congress.<sup>2</sup> There are some exceptions to this general rule; please consult your ACG or RLA.

Is this applicable? Please comment.

This is not applicable.

14. **RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO U.N. AGENCIES.** (FY 2005 Act Sec. 502). Assistance may not be used to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.  
[New provision for FY 2005]

Is this restriction applicable? Please comment.

This is not applicable.

<sup>2</sup>See also GC Memorandum dated 5/9/97 by Jan Miller discussing OMB Circular A-122 restrictions regarding lobbying and other advocacy activities.



**Part B. Congressional Notifications**

1. **GENERAL NOTIFICATION.** (FY 2005 Act Sec. 515; FAA Sec. 634A). Obligations must be notified to Congress. This is usually accomplished through the annual Congressional Presentation. It may be the subject of a Special Notification, as below. Additionally, a new Congressional Notification must be made 15 days in advance of the obligation if the amount of the obligation has increased 10 percent from that previously notified.

Is this applicable? Please comment.

Funds for the Project has been notified in the FY 06 CBJ which expired on May 4, 2005.

2. **SPECIAL NOTIFICATION.** For activities, countries, and other actions requiring special notification see the Annex, "Changes Made by the FY 2005 Foreign Operations Appropriations Act to Current Law."

Is this applicable? Please comment.

This is not applicable.

**Part C. Obligating Documents**

1. **SOURCE, ORIGIN, AND NATIONALITY.** (See ADS 310).

- (a) **GENERAL.** (FAA Sec. 604(a)). All procurement must be from the U.S., the recipient country or developing countries, except as otherwise determined in accordance with Agency rules, including the DFA Procurement Guidance. If planning procurement elsewhere, a waiver must be obtained.

Please comment.

The authorized geographic code for the procurement of goods and services financed under the Cooperative Agreement is the U.S. and Peru and from the latter based on local procurement guidance. In case the activity requires goods or services from other than U.S. or Peru, SO Team will obtain a waiver.

- (b) **AUTOMOBILES – BUY ONLY U.S. MADE MOTOR VEHICLES.** (FAA Sec. 636(i)). Assistance may not be used to finance the purchase, sale, long-term lease, exchange, or guaranty of the sale of motor vehicles manufactured outside the U.S., unless a waiver is obtained.

Please comment.

This restriction does not apply.

- (c) **AGRICULTURAL PROCUREMENT.** (FAA Sec. 604(e)). Agricultural commodities and products thereof must be procured within the U.S. unless the commodity or product could not be reasonably produced in the U.S. in fulfillment of the particular assistance program. Waivers are available in some circumstances.

Please comment.

**This is not applicable.**

- (d) **CONSTRUCTION OR ENGINEERING SERVICES.** (FAA Sec. 604(g)). No engineering or construction services may be procured from advanced developing countries<sup>3</sup> eligible under Code 941 that have attained competitive capability in international markets, *unless*:

- (1) The advanced developing country is receiving direct economic assistance under the FAA, and
- (2) Its own assistance program would permit U.S. firms to compete for similar services.

Please comment.

**No engineering or construction services are financed under the project.**

2. **CASH TRANSFERS – REQUIREMENT FOR SEPARATE ACCOUNT.** (FY 2005 Act Sec. 529(b)). If assistance is in the form of a cash transfer or nonproject sector assistance, all such cash payments must be maintained by the country in a separate account and not commingled with any other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance).

Please comment.

**This is not applicable.**

3. **CAPITAL ASSISTANCE.**

- (a) **MISSION DIRECTOR CERTIFICATION/ASSISTANT ADMINISTRATOR DETERMINATION.** (FAA Sec. 611(e)). When capital assistance is proposed (for example, construction), and total U.S. assistance for it will exceed \$1 million, the Mission Director must certify and the Regional Assistant Administrator must take into consideration the country's capability to maintain and utilize the assistance effectively.

Please comment.

**This is not applicable.**

<sup>3</sup> While GC has not formally defined the term "advanced developing countries," GC has considered both World Bank and OECD/DAC definitions of that phrase. Any questions should be brought to the relevant regional AGC.



- (b) **DEVELOPMENTALLY SOUND PROJECTS.** (Jobs Through Export Act of 1992, Sections 303 and 306(b)), Pub. L. 102-549, 22 U.S.C. 2421b and 2421d(b). If assistance is being provided for a capital activity, the activity must be developmentally sound and measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level.

Please comment.

This is not applicable.

- (c) **U.S. ENGINEERING SERVICES.** (FAA Sec. 601(d)). If using capital (for example, construction) assistance, U.S. engineering and professional services must be used to the maximum extent, consistent with U.S. interests.

Please comment.

No capital assistance is funded under the amendment.

4. **ASSISTANCE GENERATING LOCAL CURRENCY.** (FY 2005 Act Sec. 529(a)). If assistance is furnished to a foreign government under arrangements that result in the generation of local currencies, then:

- (a) USAID must:

- (1) Require that local currencies be deposited in a separate account established by the recipient government;
- (2) Enter into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized; and
- (3) Establish by agreement the responsibilities of USAID and the host government to monitor and account for deposits into and disbursements from the separate account.

- (b) Local currencies, or an equivalent amount of local currencies, can be used only to carry out the purposes of the Development Assistance or Economic Support Fund chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government.
- (c) USAID should take all necessary steps to ensure that the equivalent of local currencies disbursed from the separate account is used for the agreed purposes.
- (d) If assistance is terminated to a country, unencumbered balances of funds remaining in a separate account should be disposed of for purposes agreed to by the recipient government and the United States Government.

Please comment.

No local currency will be generated under the Cooperative Agreement.

5. **PRINTING COSTS.** The Bureau for Legislative and Public Affairs (LPA) must approve printing costs of a report of study (except feasibility, design, or evaluation reports or studies) more than \$25,000. [Note: While the requirement for this review is not in the FY 2005 Act, the USAID guidance still applies.]

Please comment.

Mission will seek the approach of LPA when/if printing costs will be incurred.

6. **ALCOHOLIC BEVERAGES AND CERTAIN ENTERTAINMENT EXPENSES.** (FY 2005 Act Sec. 548). Child Survival and Health Programs Funds, Development Assistance, or Economic Support Funds may not be used for alcoholic beverages or entertainment expenses that are substantially of a recreational nature.

Please comment.

This is not applicable.

7. **STATE DEPARTMENT NOTIFICATION OF BILATERAL AGREEMENTS WITH AN OBLIGATION OF \$25 MILLION OR MORE.** (see ADS 349 and Circular 175). The date of signing and the amount involved must be cabled to State's Office of Assistant Legal Adviser for Treaty Affairs (L/T) immediately upon signing and the full text of the agreement should be pouched to State/L/T within 20 days of signing.

Please comment.

This is not applicable.

8. **ENGINEERING AND FINANCIAL PLANS.** (FAA Sec. 611). Before an obligation of more than \$500,000, there must be:

- (a) Engineering, financial, or other plans necessary to carry out the assistance; and
- (b) A reasonably firm estimate of the cost to the U.S. of the assistance.

And, if the plan relates to a water or water-related land resource construction, the plan should include a computation of benefits and costs. This figure must be computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.).

Please comment.

This provision does not apply.



## **ANNEX**

Changes Made by the FY 2005 Foreign Operations Appropriations Act to Current Law,  
Memorandum from GC to AA/PPC and AA/LPA, December 17, 2005

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**Rojas, Dora(PERU/PDP)**

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**From:** Varillas, Elvira(PERU/PDP)**Sent:** Wednesday, September 07, 2005 11:15 AM**To:** Rojas, Dora(PERU/PDP)Dorita adjunto el Action Memo de SHIP. China

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**Action Memorandum for the SO 11 Team Leader****FROM:** Elvira C. de Varillas, Program Specialist**SUBJECT:** Amendment Six – Strengthening Private Sector Health Institutions Project (SHIP), No. 527-0319**DATE:**

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**Action Requested**

You are requested to approve an increase in the funding ceiling of the Strengthening Private Sector Health Institutions Project 527-0319 (SHIP) by \$140,321 to a new total of \$27,935,321. Accordingly the Cooperative Agreement will be amended to reflect this change.

**Background**

The SHIP project was approved on September 28, 1991, and a cooperative agreement (CA) was signed with CARE/Peru to implement the southern component. The northern component of SHIP was originally carried out under an institutional contract with University Research Corporation (URC), signed on June 20, 1994. Sanctions, followed by complex procurement issues, delayed the initiation of the northern component by nearly three years. Actual clinic operations did not begin until 1996 with the opening of two clinics. At the end of 1998 two additional clinics were opened. Upon termination of the URC contract, USAID entered into a five year cooperative agreement with Max Salud from October 1, 1999 through September 30, 2004 that was extended on August 1, 2003 through September 30, 2006. SO 11 Team Leader approved amendment Five to extend the life of the Project from September 30, 2004 to September 30, 2006. This amendment increases the Life of Project (LOP) funding by \$140,321, to a new total of \$27,935,321. These additional funds will permit Max Salud to implement the new informatics platform for SHIP, and to obtain technical advisory services to support Max Salud in achieving its institutional and financial sustainability.

Furthermore, the Activity Design document signed on May 15, 2002, contemplates the need to adjust specific ongoing projects that are considered necessary for the achievement of SO 11 goals. Max Salud is essential to the achievement of SO 11 sub-objectives. Max Salud is a model that promotes policy and organizational reforms. It serves as a laboratory in such areas as family and community-centered primary health care; private delivery of care to sectors customarily cared for by the Ministry of Health; local control of health services; public funding of private care; and specialized care for at risk populations such as adolescents, malnourished children, or people living with HIV/AIDS. This amendment will allow SHIP to complete its projected activities, through September 30, 2006.

**Funding**

09/07/2005



Additional \$140,321 in population funding is within SO 11 FY 05 OYB and will be obligated in conjunction with the \$384,038.02 final child survival increment required to fully fund the Cooperative Agreement with Max Salud.

These additional funds will cover the following costs:

- (1) the implementation of a new informatics platform to better meet the information management needs of Max Salud.
- (2) the contracting of technical assistance to strengthen its managerial, administrative, financial and technical capacities.

Both actions will assist Max Salud in achieving its institutional, financial and social sustainability in anticipation of the completion of USAID funding of the activity on September 30, 2006.

### **Congressional Notification and Budget Allowance**

Congressional notification requirements for the additional \$140,321 in population funds have been satisfied through the FY 06 CBJ which expired on May 4, 2005. Budget allowances in the amount of \$384,038.02 child survival funds and \$140,321 population funds have been received via e-mail from LAC/SPO dated May 19, 2005.

### **Statutory Requirements**

The analysis regarding Initial Environmental Examination which approved a categorical exclusion through LAC-IEE-02-20 dated June 10, 2002 (See Attachment One) is still valid within the \$127.5 million ceiling approved for SO 11. The nature of the original activities remain unchanged. FY 05 Assistance and Country Checklists are attached herein (See Attachment Two).

### **Authority**

You have been delegated the authority to approve this Amendment through the SO 11 Activity Approval Document (AAD) signed by Acting Mission Director on May 15, 2002.

### **Recommendation**

The SO 11 Team recommends that you approve this activity amendment on the basis that all of the appropriate technical, financial and administrative issues have been adequately

addressed, thereby increasing LOP funding of the Strengthening Private Sector Health Institutions by \$140,321 to a new total of \$27,935,321.

### **Approved:**

\_\_\_\_\_  
**Susan Thollaug**  
**Health SO 11, Team Leader**

### **Disapproved:**

\_\_\_\_\_  
**Susan Thollaug**  
**Health SO 11, Team Leader**



**USAID | PERU**  
FROM THE AMERICAN PEOPLE

**Action Memorandum for the SO 11 Team Leader**

**FROM:** Elvira C. de Varillas, Program Specialist

**SUBJECT:** Amendment Six – Strengthening Private Sector Health Institutions Project (SHIP), No. 527-0319

**DATE:** August 24, 2005

*extend ceiling  
50K for Informatics  
60K for Sustain*

**Action Requested**

You are requested to: 1) approve an extension to the life of the Strengthening Private Sector Health Institutions Project 527-0319 (SHIP) from September 30, 2006 to September 30, 2007 and 2) increase the life of activity funding by \$140,321 to a new total of \$27,935,321. This amendment will permit the extension of the Completion Date for the Management Component through September 30, 2007. Accordingly the Cooperative Agreement and FSN-PSC will be amended to reflect these changes.

**Background**

The SHIP project was approved on September 28, 1991 and a cooperative agreement (CA) was signed with CARE/Peru to implement the southern component. The northern component of SHIP was originally carried out under an institutional contract with University Research Corporation (URC), signed on June 20, 1994. Sanctions, followed by complex procurement issues, delayed the initiation of the northern component by nearly three years. Actual clinic operations did not begin until 1996 with the opening of two clinics. At the end of 1998 two additional clinics were opened. Upon termination of the URC contract, USAID entered into a five year cooperative agreement with Max Salud from October 1, 1999 through September 30, 2004 that was extended on August 1, 2003 through September 30, 2006. SO 11 Team Leader approved amendment Five to extend the life of the Project from September 30, 2004 to September 30, 2006. This amendment increases the Life of Project (LOP) funding by \$140,321, to a new total of \$27,935,321, ~~and extends the Completion Date through September 30, 2007.~~ These additional funds will permit Max Salud to implement the new informatics platform for SHIP, and to obtain technical advisory services to support Max Salud in achieving its institutional and financial sustainability.

Furthermore, the Activity Design document signed on May 15, 2002, contemplates the need to adjust specific ongoing projects that are considered necessary for the achievement of SO 11 goals. Max Salud is essential to the achievement of SO 11 sub-objectives. Max Salud is a model



that promotes policy and organizational reforms. It serves as a laboratory in such areas as family and community-centered primary health care; private delivery of care to sectors customarily cared for by the Ministry of Health; local control of health services; public funding of private care; and specialized care for at risk populations such as adolescents, malnourished children, or people living with HIV/AIDS. This amendment will allow SHIP to complete its projected activities, through September 30, 2006, ~~and the funding of one PSC (Project Coordinator) through the end of the SO 11 Strategy period, September 30, 2007.~~

### **Funding**

The additional \$140,321 in population funding is within SO 11 FY 05 OYB and will be obligated in conjunction with the \$384,038.02 final child survival increment required to fully fund the Cooperative Agreement with Max Salud.

These additional funds will cover the following costs:

- (1) the implementation of a new informatics platform to better meet the information management needs of Max Salud.
- (2) the contracting of technical assistance to strengthen its managerial, administrative, financial and technical capacities.

Both actions will assist Max Salud in achieving its institutional, financial and social sustainability in anticipation of the completion of USAID funding of the activity on September 30, 2006.

### **Congressional Notification and Budget Allowance**

Congressional notification requirements for the additional \$140,321 in population funds have been satisfied through the FY 06 CBJ which expired on May 4, 2005. Budget allowances in the amount of \$384,038.02 child survival funds and \$140,321 population funds have been received via e-mail from LAC/SPO dated May 19, 2005.

### **Statutory Requirements**

The analysis regarding Initial Environmental Examination which approved a categorical exclusion through LAC-IEE-02-20 dated June 10, 2002 (See Attachment One) is still valid within the \$127.5 million ceiling approved for SO 11. The nature of the original activities remains unchanged. FY 05 Assistance and Country Checklists are attached herein (see Attachment Two.)

### **Authority**

You have been delegated the authority to approve this Amendment through the SO 11 Activity Approval Document (AAD) signed by Acting Mission Director on May 15, 2002.



**Rojas, Dora(PERU/PDP)**

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**From:** Varillas, Elvira(PERU/PDP)**Sent:** Wednesday, August 24, 2005 9:03 AM**To:** Rojas, Dora(PERU/PDP)

Dorita aparentemente el memo que te envíe no es el último. Por favor chequea este que te estoy enviando con el draft. China

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**Action Memorandum for the SO 11 Team Leader****FROM:** Elvira C. de Varillas, Program Specialist**SUBJECT:** Amendment Six – Strengthening Private Sector Health Institutions Project (SHIP), No. 527-0319**DATE:**

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**Action Requested**

You are requested to: 1) approve an extension to the life of the Strengthening Private Sector Health Institutions Project 527-0319 (SHIP) from September 30, 2006 to September 30, 2007 and 2) increase the life of activity funding by \$140,321 to a new total of \$27,935,321. This amendment will permit the extension of the Completion Date for the Management Component through September 30, 2007. Accordingly the Cooperative Agreement and FSN PSC will be amended to reflect these changes.

**Background**

The SHIP project was approved on September 28, 1991, and a cooperative agreement (CA) was signed with CARE/Peru to implement the southern component. The northern component of SHIP was originally carried out under an institutional contract with University Research Corporation (URC), signed on June 20, 1994. Sanctions, followed by complex procurement issues, delayed the initiation of the northern component by nearly three years. Actual clinic operations did not begin until 1996 with the opening of two clinics. At the end of 1998 two additional clinics were opened. Upon termination of the URC contract, USAID entered into a five year cooperative agreement with Max Salud from October 1, 1999 through September 30, 2004 that was extended on August 1, 2003 through September 30, 2006. SO 11 Team Leader approved amendment Five to extend the life of the Project from September 30, 2004 to September 30, 2006. This amendment increases the Life of Project (LOP) funding by \$140,321, to a new total of \$27,935,321, and extends the Completion Date through September 30, 2007. These additional funds will permit Max Salud to implement the new informatics platform for SHIP, and to obtain technical advisory services to support Max Salud in achieving its institutional and financial sustainability.

Furthermore, the Activity Design document signed on May 15, 2002, contemplates the need to adjust specific ongoing projects that are considered necessary for the achievement of SO 11 goals. Max Salud is essential to the achievement of SO 11 sub-objectives. Max Salud is a model that promotes policy and organizational reforms. It serves as a laboratory in such areas as family and community-centered primary health care; private delivery of care to sectors customarily cared for by the Ministry of Health; local control of health services; public funding of private care; and specialized care for at risk populations such as adolescents, malnourished children, or people living with HIV/AIDS. This amendment will allow SHIP to complete its projected activities, through September 30, 2006 and the funding of one PSC (Project Coordinator) through the end of the SO 11 Strategy period, September 30, 2007.

08/24/2005



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The additional \$140,321 in population funding is within SO 11 FY 05 OYB and will be obligated in conjunction with the \$384,038.02 final child survival increment required to fully fund the Cooperative Agreement with Max Salud.

These additional funds will cover the following costs:

- (1) the implementation of a new informatics platform to better meet the information management needs of Max Salud.
- (2) the contracting of technical assistance to strengthen its managerial, administrative, financial and technical capacities.

Both actions will assist Max Salud in achieving its institutional, financial and social sustainability in anticipation of the completion of USAID funding of the activity on September 30, 2006.

### **Congressional Notification and Budget Allowance**

Congressional notification requirements for the additional \$140,321 in population funds have been satisfied through the FY 06 CBJ which expired on May 4, 2005. Budget allowances in the amount of \$384,038.02 child survival funds and \$140,321 population funds have been received via e-mail from LAC/SPO dated May 19, 2005.

### **Statutory Requirements**

The analysis regarding Initial Environmental Examination which approved a categorical exclusion through LAC-IEE-02-20 dated June 10, 2002 (See Attachment One) is still valid within the \$127.5 million ceiling approved for SO 11. The nature of the original activities remain unchanged. FY 05 Assistance and Country Checklists are attached herein (See Attachment Two).

### **Authority**

You have been delegated the authority to approve this Amendment through the SO 11 Activity Approval Document (AAD) signed by Acting Mission Director on May 15, 2002.

### **Recommendation**

The SO 11 Team recommends that you approve this activity amendment on the basis that all of the appropriate technical, financial and administrative issues have been adequately addressed, thereby increasing LOP funding of the Strengthening Private Sector Health Institutions by \$140,321 to a new total of \$27,935,321 and extending the Completion for the FSN Coordinator through September 30, 2007.

### **Approved:**

\_\_\_\_\_  
**Susan Thollaug**  
**Health SO 11, Team Leader**

### **Disapproved:**

\_\_\_\_\_  
**Susan Thollaug**  
**Health SO 11, Team Leader**

PDP:ECvarillas

08/24/2005



**Rojas, Dora(PERU/PDP)**

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**From:** Varillas, Elvira(PERU/PDP)**Sent:** Tuesday, August 23, 2005 12:02 PM**To:** Rojas, Dora(PERU/PDP)

Dorita por favor ponlo en letterhead. Gracias. China

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**Action Memorandum for the SO 11 Team Leader****FROM:** Elvira C. de Varillas, Program Specialist**SUBJECT:** Amendment Six – Strengthening Private Sector Health  
Institutions Project (SHIP), No. 527-0319**DATE:**

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**Action Requested**

You are requested to: 1) approve an extension to the Life of the Strengthening Private Sector Health Institutions Project 527-0319 (SHIP) from September 30, 2006 to September 30, 2007 and 2) increase the life of activity funding by \$140,321 to a new total of \$27,935,321 . This amendment will permit the extension of the Completion Date for the Management Component through September 30, 2007. Accordingly the Cooperative Agreement and FSN PSC will be amended to reflect these changes.

**Background**

The SHIP project was approved on September 28, 1991, and a cooperative agreement (CA) was signed with CARE/Peru to implement the southern component. The northern component of SHIP was originally carried out under an institutional contract with University Research Corporation (URC), signed on June 20, 1994. Sanctions, followed by complex procurement issues, delayed the initiation of the northern component by nearly three years. Actual clinic operations did not begin until 1996, and at the end of 1998 with the opening of two more. Upon termination of the URC contract, USAID entered into a five year cooperative agreement with Max Salud from October 1, 1999 through September 30, 2004 that was extended on August 1, 2003 through September 30, 2006. SO 11 Team Leader approved amendment Five to extend the life of the Project from September 30, 2004 to September 30, 2006. This Amendment Six increases the Project life of funding by \$140,321 to a new total of \$27,935,321 and extends the Completion Date through September 30, 2007. These additional funds will permit Max Salud to implement the new informatics platform for SHIP as well as provide technical advisory services to support Max Salud in achieving its institutional and financial sustainability.

Furthermore, the Activity Design document signed on May 15, 2002 by Acting Mission Director contemplates the need to adjust specific ongoing projects that are considered necessary for the achievement of SO 11 goals. Max Salud is an activity that is important for the achievement of SO 11 sub-objectives related to the benefits of Max Salud as a model to promote policy and practice reforms and to serve as a laboratory in such areas as family and community centered primary health care, private delivery of care to sectors customarily cared for by the Ministry of Health, local control of health services, public funding of private care, and specialized care for at risk populations such as adolescents, malnourished children, or people living with HIV/AIDS. This amendment will allow completion of SHIP activities, through September 30, 2006 and (2) the funding of one PSC ( Project Coordinator) through the end of the SO 11 Strategy period, September 30, 2007.

08/23/2005



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The \$140,321 additional population funding is within SO 11 FY 05 OYB and will be obligated in conjunction with the \$384,038.02 final child survival increment required to fully fund the Cooperative Agreement with MaxSalud.

These additional funds will defray the following costs:

- (1) the implementation of a new informatics platform to better respond to the emerging needs of MaxSalud.
- (2) the contracting of technical assistance to strengthen its managerial, administrative, financial and technical capacities.

Both actions will assist MaxSalud in achieving its institutional, financial and social sustainability.

### **Congressional Notification and Budget Allowance**

Congressional notification requirements for the additional \$140,321, population funds have been satisfied through the FY 06 CBJ which expired on May 4, 2005. Budget allowance in the amount of \$384,038.02 child survival funds and \$140,321 population funds have been received via e-mail from LAC/SPO dated May 19, 2005.

### **Statutory Requirements**

The analysis regarding Initial Environmental Examination which approved a categorical exclusion through LAC-IEE-02-20 dated June 10, 2002 attached to this document (Attachment One), is still valid under the ceiling of \$127.5 million funding approved for SO 11 and the unchanged nature from the original activities. FY 05 Assistance and Country Checklists are attached herein (attachment Two and Three)

### **Authority**

You have been delegated the authority to approve this Amendment through the SO 11 AAD signed by Acting Mission Director on May 15, 2002.

### **Recommendation**

The SO 11 Team recommends that you approve this activity amendment on the basis that all of the appropriate technical, financial and administrative issues have been adequately addressed, thereby increasing LOA funding of the Strengthening Private Sector Health Institutions by \$140,321 to a new total of \$27,935,321 and extending the Completion for the FSN Coordinator through September 30, 2007.

### **Approved:**

\_\_\_\_\_  
**Susan Thollaug**  
**Health SO 11, Team Leader**

### **Disapproved:**

\_\_\_\_\_  
**Susan Thollaug**  
**Health SO 11, Team Leader**

PDP:ECvarillas

08/23/2005

**Rojas, Dora(PERU/PDP)**

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**From:** Varillas, Elvira(PERU/PDP)  
**Sent:** Monday, August 15, 2005 9:40 AM  
**To:** Rojas, Dora(PERU/PDP)  
**Subject:** FW: Action Memorandum forSO 11-0375-05.doc

-----Original Message-----

**From:** Thollaug, Susan(PERU/HPN)  
**Sent:** Sunday, August 14, 2005 3:30 PM  
**To:** Varillas, Elvira(PERU/PDP)  
**Subject:** RE: Action Memorandum forSO 11-0375-05.doc

Hi China, I've made a few small changes (see below).

As I understand it, this action will give OH more flexibility regarding paying our FSN staff. But, I also want to clarify that this action only makes it possible to fund the activity manager through September, 2007, but it won't require that we do so. We could fund the same staff through other mechanisms, and won't be obligated to use this one, correct?  
Many Thanks, Susan

Susan Thollaug RN MPH PhD tel(secty) 011-511-618-1274  
Chief, Office of Health tel(direct) 011-51-1618-1260  
USAID/PERU e-mail: sthollaug@usaid.gov

-----Original Message-----

**From:** Varillas, Elvira(PERU/PDP)  
**Sent:** Friday, August 12, 2005 12:38 PM  
**To:** Thollaug, Susan(PERU/HPN)  
**Subject:** Action Memorandum forSO 11-0375-05.doc

Susan as requested attached please find the SHIP memo. I just included some of the comments Edgar gave me.  
China

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**Action Memorandum for the SO 11 Team Leader**

**FROM:** Elvira C. de Varillas, Program Specialist  
**SUBJECT:** Amendment Six – Strengthening Private Sector Health Institutions Project (SHIP), No. 527-0319  
**DATE:**

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**Action Requested**

You are requested to: 1) approve an extension to the Life of the Strengthening Private Sector Health Institutions Project 527-0319 (SHIP) from September 30, 2006 to September 30, 2007. This amendment will permit the extension of the Completion Date for the Management Component through September 30, 2007 and 2) increase the life of activity funding by \$140,321 to a new total of \$27,935,321. Accordingly the Cooperative Agreement and FSN PSC will be amended to reflect these changes.

08/15/2005



## Background

The SHIP project was approved on September 28, 1991, and a cooperative agreement (CA) was signed with CARE/Peru to implement the southern component. The northern component of SHIP was originally carried out under an institutional contract with University Research Corporation (URC), signed on June 20, 1994. Sanctions, followed by complex procurement issues, delayed the initiation of the northern component by nearly three years. Actual clinic operations did not begin until 1996, with the opening of two clinics and at the end of 1998 with the opening of two more. SO 11 Team Leader approved amendment Five to extend the life of the Project from September 30, 2004 to September 30, 2006. This Amendment Six increases the Project life of funding by \$140,321 to a new total of \$27,935,321 and extends the Completion Date through September 30, 2007. These additional funds will permit Max Salud to implement the new informatics platform for SHIP, and to obtain technical advisory services to support Max Salud in achieving its institutional and financial sustainability.

Upon termination of the URC contract, USAID entered into a five-year cooperative agreement with Max Salud from October 1, 1999 through September 30, 2004 and extended it in August 1, 2003 through September 30, 2006. Further, the Activity Design document signed on May 15, 2002 by Acting Mission Director contemplates the need to adjust certain current projects that are considered necessary for the achievement of SO 11 goals. Max Salud is an activity that is important for the achievement of SO 11 sub-objectives related to the benefits of Max Salud as a model to promote policy and practice reforms and to serve as a laboratory in such areas as family and community centered primary health care, private delivery of care to sectors customarily cared for by the Ministry of Health, local control of health services, public funding of private care, and specialized care for at risk populations such as adolescents, malnourished children, or people living with HIV/AIDS. This amendment will allow completion of SHIP activities, through September 30, 2006 and (2) the funding of one PSC ( Project Coordinator) through the end of the SO 11 Strategy period, September 30, 2007.

## Funding

The \$140,321 additional population funding is within SO 11 FY 05 OYB and will be obligated in conjunction with the \$384,038.02 final child survival increment required to fully fund the Cooperative Agreement with MaxSalud.

These additional funds will defray the following costs:

- (1) the implementation of a new informatics platform to better meet the information management needs of MaxSalud.
- (2) the contracting of technical assistance to strengthen its managerial, administrative, financial and technical capacities.

Both actions will assist MaxSalud in achieving its institutional, financial and social sustainability, in anticipation of the completion of USAID funding of the activity on September 30, 2006.

## Congressional Notification and Budget Allowance

Congressional notification requirements for the additional \$140,321, population funds have been satisfied through the FY 06 CBJ which expired on May 4, 2005. Budget allowance in the amount of \$384,038.02 child survival funds and \$140,321 population funds have been received via e-mail from LAC/SPO dated May 19, 2005.

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IEE-02-20 dated June 10, 2002 attached to this document (Attachment One), is still valid under the ceiling of \$127.5 million funding approved for SO 11 and the unchanged nature from the original activities. FY 05 Assistance and Country Checklists are attached herein (attachment Two and Three)

**Authority**

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**Recommendation**

The SO 11 Team recommends that you approve this activity amendment on the basis that all of the appropriate technical, financial and administrative issues have been adequately addressed, thereby increasing LOA funding of the Strengthening Private Sector Health Institutions by \$140,321 to a new total of \$27,935,321 and extending the Completion for the FSN Coordinator through September 30, 2007.

**Approved:**

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**Susan Thollaug**  
Health SO 11, Team Leader

**Disapproved:**

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**Susan Thollaug**  
Health SO 11, Team Leader

PDP:ECvarillas

**Clearance:**

HPN:Ramirez\_\_\_\_\_  
PDP:CEpperson\_\_\_\_\_  
RLA:HCruz-Hubbard\_\_\_\_\_  
CON:ChVigil/VLLajaruna\_\_\_\_\_  
DD:SBrems\_\_\_\_\_

ECVarillas

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